

Fiscal Note

Fiscal Services Division



SF 161 – FY 2015 Categorical Allowable Growth (LSB 2118SV)

Analyst: Shawn Snyder (Phone: (515) 281-7799) (shawn.snyder@legis.iowa.gov)

Fiscal Note Version – New

Description

Senate File 161 requires a 4.0% allowable growth rate to be applied to each of the State categorical cost per pupil amounts for FY 2015.

Background

The State categorical supplements are funded entirely through State aid and generate funds for each school district and area education agency (AEA) through the school aid formula on a per pupil basis. The FY 2014 State cost per pupil (SCPP) funding levels for the teacher salary supplement (district and AEA), professional development supplement (district and AEA), and early intervention supplement (district only) will be increased by a 4.0% allowable growth rate for FY 2015. Currently, the FY 2014 State categorical supplement allowable growth rates have not been enacted. However, **SF 51** (FY 2014 Categorical Allowable Growth Bill) provides State categorical supplement allowable growth rates of 4.0% for FY 2014. The following table provides the estimated impact of **SF 161** on the State cost per pupil amounts based on FY 2014 state categorical supplement allowable growth rates at 0.0% and 4.0%.

Based on 4.0% Allowable Growth Rate for FY 2015 and 0.0% for FY 2014 (Cost per pupil)					
	School Districts			AEAs	
	Teacher Salary	Professional Development	Early Intervention	Teacher Salary	Professional Development
FY 2014 SCPP Amounts	\$ 517.17	\$ 58.57	63.80	\$ 27.07	\$ 3.16
FY 2015 Per Pupil Growth	20.69	2.34	2.55	1.08	0.13
FY 2015 SCPP Amounts	\$ 537.86	\$ 60.91	66.35	\$ 28.15	\$ 3.29

Based on 4.0% Allowable Growth Rate for FY 2015 and 4.0% for FY 2014					
	School Districts			AEAs	
	Teacher Salary	Professional Development	Early Intervention	Teacher Salary	Professional Development
FY 2014 SCPP Amounts	\$ 537.86	\$ 60.91	66.35	\$ 28.15	\$ 3.29
FY 2015 Per Pupil Growth	21.51	2.44	2.65	1.13	0.13
FY 2015 SCPP Amounts	\$ 559.37	\$ 63.35	69.00	\$ 29.28	\$ 3.42

Additionally, there is a budget guarantee provision for each of the State categorical supplements that holds each district and AEA at the previous fiscal year's level of funding (net of the previous year's budget guarantee amount). This provision for the State categorical supplements is funded entirely through State aid.

Assumptions

Estimates are based on October 2012 certified enrollments and Department of Education enrollment projections for FY 2015.

Fiscal Impact

The estimated total fiscal impact of [SF 161](#) in combination with [SF 51](#) will be a General Fund expenditure of \$348.6 million to fund the FY 2015 State categorical supplement amounts. This is an increase of \$15.0 million (4.5%) compared to estimated FY 2014 (the following table provides the detail of the funding levels for each of the State categorical supplements). Assuming a 0.0% allowable growth rate for FY 2014, the estimated total General Fund expenditure will be \$335.1 million in FY 2015, an increase of \$12.5 million (3.9%) compared to estimated FY 2014.

Total State Categorical Supplement Amounts by Category - Based on Senate Proposals				
	District Amount FY 2015	AEA Amount FY 2015	Total Amount FY 2015	FY 2015 vs. FY 2014
Teacher Salary Supplement				
Unadjusted Amount - District	\$ 266,743,266	\$ 15,069,064	\$ 281,812,331	
Budget Guarantee Amount - District	1,446,831	59,454	1,506,285	
Total Amount - District	\$ 268,190,097	\$ 15,128,519	\$ 283,318,616	\$ 12,218,352
	District Amount FY 2015	AEA Amount FY 2015	Total Amount FY 2015	FY 2015 vs. FY 2014
Professional Development Supplement				
Unadjusted Amount - District	\$ 30,241,514	\$ 1,764,834	\$ 32,006,348	
Budget Guarantee Amount - District	155,251	6,654	161,905	
Total Amount - District	\$ 30,396,765	\$ 1,771,488	\$ 32,168,252	\$ 1,393,555
	District Amount FY 2015	AEA Amount FY 2015	Total Amount FY 2015	FY 2015 vs. FY 2014
Early Intervention Supplement				
Unadjusted Amount	\$ 32,918,355	NA	\$ 32,918,355	
Budget Guarantee Amount	146,880	NA	146,880	
Total Amount	\$ 33,065,235	NA	\$ 33,065,235	\$ 1,437,946
	District Amount FY 2015	AEA Amount FY 2015	Total Amount FY 2015	FY 2015 vs. FY 2014
All State Categorical Supplements				
Total Unadjusted Amount	\$ 329,903,135	\$ 16,833,898	\$ 346,737,034	
Total Budget Guarantee Amount	1,748,962	66,108	1,815,070	
Total State Categorical Supplement	\$ 331,652,097	\$ 16,900,007	\$ 348,552,103	\$ 15,049,853

School aid estimates by school district are available on the [LSA website](#).

Sources

Iowa Department of Education, Certified Enrollment file
Iowa Department of Management, School Aid file
LSA analysis and calculations

/s/ Holly M. Lyons

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The fiscal note for this bill was prepared pursuant to [Joint Rule 17](#) and the Iowa Code. Data used in developing this fiscal note is available from the Fiscal Services Division of the Legislative Services Agency upon request.
